

TDS TELECOM

Southern Region
P.O. Box 22995
Knoxville, TN 37933-0995
725 Pellissippi Parkway, Ste. 230
Knoxville, TN 37932

Telephone: 423-966-4700
FAX: 423-675-3881

REC'D TN
REGULATORY AUTH.

Government and Regulatory Affairs

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June 15, 1999

****VIA Overnight Mail****
EXECUTIVE SECRETARY

Mr. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243

Re: Update to Docket No. 99-00300 - TDS TELECOM on Behalf of Subsidiaries
Concord, Humphreys Cty, Tellico and TN Telephone IntraLATA Toll Dialing
Parity Plan

Dear Mr. Waddell:

Enclosed on behalf of its subsidiaries (TDS TELECOM/Concord Telephone
Exchange, TDS TELECOM/Humphreys County Tel, TDS TELECOM/Tellico Tel,
and TDS TELECOM/Tennessee Tel), TDS TELECOM submits an original and
thirteen (13) copies of its updated IntraLATA Toll Dialing Parity Plan.

The purpose of this update is to revise the cost recovery plan contained in Section 13
of the plan (and associated Exhibit 1), to remove the reference to recovery on
terminating minutes of use. Section 7.2 – Existing Customers was also revised to
remove the sentence referencing recovery of the PIC-change charge from the
“selected carriers”, as this foregone revenue is now contemplated in the
aforementioned Cost Recovery Plan.

This amended plan should replace the updated draft filed with the Tennessee
Regulatory Authority along with its letter dated June 11, 1999. This draft is denoted
by the amended date on page 1 of the plan (“Amended as of 6/15/99”)

Should you have any questions regarding this filing, please do not hesitate to call me
at (423) 671-4754.

Sincerely,



John D. Feehan
Manager – External Relations

Enclosure

Cc: Mr. T. G. Pappas – Bass Berry & Sims, PLC

**TDS TELECOM
PRESUBSCRIPTION IMPLEMENTATION PLAN
AMENDED AS OF 6/15/99**

1. INTRODUCTION

TDS TELECOM consisting of TDS TELECOM/Concord Telephone Exchange, TDS TELECOM/Humphreys County Telephone, TDS TELECOM/Tellico Telephone and TDS TELECOM/Tennessee Telephone (hereafter referred to collectively as "TDS TELECOM"), in accordance with the August 8, 1996 Federal Communications Commission (FCC) Second Report and Order,⁴ submits this Implementation Plan for intraLATA presubscription. Throughout this process TDS TELECOM intends to comply with all rules of the FCC and the Tennessee Regulatory Authority as they relate to IntraLATA Presubscription implementation.

Currently, BellSouth Telecommunications, Inc. ("BellSouth") completes all 1+ and 0+

¹ TDS TELECOM implementation plan, attached as Exhibit A to this Motion, is submitted pursuant to the FCC's Second Report and Order, *In re Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, ¶ 39, CC Docket No. 96-98 (Aug. 8, 1996) [hereinafter FCC Order]. According to the FCC's rules, the implementation plan must include (1) a proposal that explains how the LEC will offer intraLATA toll dialing parity for each exchange that the LEC operates in the state and a proposed schedule for implementation; and (2) a proposal for timely notification of its subscribers and the method it proposes to use to enable subscribers to select an intraLATA carrier. 47 U.S.C. § 51.213(b). TDS TELECOM Plan meets both of these requirements.

² FCC Order ¶ 49.

³ FCC Order ¶¶ 41, 81.

⁴ Second Report and Order, *In re Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, CC Docket No. 96-98 (Aug. 8, 1996) [hereinafter FCC Order].

intraLATA toll traffic in TDS TELECOM service territories. An access code is required for this traffic to be routed to a carrier other than BellSouth. IntraLATA presubscription will allow customers to dial 1+ or 0+ an intraLATA number to make an intraLATA toll call and automatically route that call to the customer's presubscribed carrier. IntraLATA presubscription will provide TDS TELECOM customers access to other intraLATA toll competitors with access that is equal in type and quality in the provision of intraLATA toll service.

2. IMPLEMENTATION

2.1 Objectives

TDS TELECOM objectives for intraLATA presubscription are to:

- Successfully implement intraLATA presubscription;
- Minimize customer confusion;
- Ensure that customers understand they have choices; and
- Treat all toll competitors on a non-discriminatory basis.

2.2 Schedule

TDS TELECOM will implement presubscription for its service territory no later than July 22, 1999. Implementation will be done simultaneously in all central offices on a flash-cut basis.

The exchanges affected by this implementation are as follows:

- **Concord Telephone** – Concord (LATA #474)
- **Humphreys County Telephone** – New Johnsonville (LATA #470)
- **Tellico Telephone** – Ballplay, Coker Creek, Englewood, Niota, Riceville, and Tellico Plains (LATA #474)
- **Tennessee Telephone** – Darden, Decaturville, Parsons, Sardis, and Scotts Hill (LATA #468); Bruceton, Clifton, Collinwood, Cornersville, LaVergne, Linden, Lobelville, Mt. Juliet, and Waynesboro (LATA #470); Halls Crossroads (LATA#474)

3. NETWORK PLANS

3.1 Technology

TDS TELECOM utilizes switches manufactured by Siemens or AT&T (Lucent Technologies).

The software controlling these switches has been upgraded to achieve full Two-PIC capability for intraLATA presubscription.

3.2 Methodology

Consistent with the FCC Order, TDS TELECOM plans to implement intraLATA presubscription using the full Two-PIC methodology.

3.3 Network Operations

TDS TELECOM has identified a three-step process that must be completed to implement intraLATA presubscription.

- 1) Feature Negotiation. The feature negotiation step of the process includes negotiating costs with switch vendors, paying the right to use fees, and establishing a date to have the feature activated in each switch. This process has been completed.
- 2) Activate Feature, Software and Translations in the Switch. This step involves the actual activation of the switch generic software for a second PIC option on the customer's line and line and trunk translations in every switch. This process will be completed by the end of implementation.
- 3) Integration Testing. In this stage, information systems and operation support systems are tested to ensure that all processes are designed, coded and tested. This process will be completed by the end of implementation.

4. INFORMATION SYSTEMS/OPERATION SUPPORT SYSTEMS

In order to effectively implement intraLATA presubscription, TDS TELECOM must modify its administrative and operations support systems. First, TDS TELECOM identified all systems that would be affected by intraLATA presubscription. Second, after identifying the specific requirements, new programs are in the process of being written for each system. Third, upon completion of the software work, the new program for each system will be implemented.

Program changes will be tested to ensure that the requirements have been met and that the system functions properly. Fourth, integration testing will be performed to test the compatibility of all the revised systems. Finally, the service consultants will be trained on the use of these modified systems.

5. CARRIER NEGOTIATION

5.1 Access Carrier Name Abbreviation

An Access Carrier Name Abbreviation (ACNA) is a three digit alpha code assigned by Bellcore to inter/intraLATA carriers. All intraLATA toll providers must have a valid ACNA assigned by Bellcore.

5.2 Carrier Identification Code (CIC)

The Carrier Identification Code (CIC) is a unique three or four digit access identification code that is assigned by the North American Numbering Plan (NANP) Administrator for use with Feature Group B or D Switched Access Service. The CIC is used to identify the inter/intraLATA toll provider.

5.3 Carrier Verification Number

Customers can dial the intraLATA verification number to verify which carrier they are presubscribed to for intraLATA toll calls. The Industry Numbering Committee has reserved the number 700-4141 for these purposes, and TDS TELECOM will support the industry-approved number. The local dialing arrangements may require that the Home NPA code be dialed before this seven digit number, i.e., (412) 700-4141. Customers will have a number for intraLATA verification (home 412-700-4141) in addition to the already existing number for interLATA verification (700-555-4141).

TDS TELECOM will complete the appropriate translations work in each end office to establish the 700 number as an intraLATA toll code. Switches will then have the capability to route calls to the 700 number to the customer's presubscribed carrier.

5.4 Toll Carrier Obligation

All intraLATA toll providers must have a Feature Group D (FGD) or Feature Group D-like trunk and a Letter of Intent on file with TDS TELECOM to be a presubscribed, intraLATA toll provider. Carriers may use existing FGD trunks to carry their inter/intraLATA toll traffic when they use the interLATA CIC for intraLATA toll. Each carrier must determine if additional facilities are needed to handle the intraLATA toll traffic and then submit Access Service Requests to the TDS TELECOM Access Carrier Service Group.

6. CUSTOMER AND CALL ELIGIBILITY

IntraLATA presubscription will be provided on all residence and business lines. Pay Telephones will be presubscribed in accordance with the provisions of the Telecommunications Act of 1996 and any final FCC rules.

6.1 Call Eligibility

TDS TELECOM plans to offer intraLATA presubscription on all calls that originate within TDS TELECOM service territory that are designated as intraLATA toll calls, including operator service (0+ interexchange) and 1-NPA-555-1212. TDS TELECOM will handle the following calls: 911, 611, 0-,0+ intraexchange, and 7 or 10 digit intraexchange calls.

6.2 IntraLATA Toll Dialing Plan

If A TDS TELECOM Customer Dials:	Then Call Is Handled By:
0	TDS TELECOM Contracted Operator
0 + Intraexchange	TDS TELECOM Contracted Operator
1 + 7/10 digit	IntraLATA Toll Provider
0 + 7/10 digit Interexchange	IntraLATA Toll Operator
101XXXX + 0	IntraLATA Toll Provider
101XXXX + 0 + 7/10 digit	IntraLATA Toll Provider
101XXXX + 7/10 digit	IntraLATA Toll Provider

If a carrier does not provide operator services, it is the carrier's responsibility to block such calls and provide customers with an appropriate message.

6.3 Casual Calling

A customer will have a choice of using a carrier other than his or her presubscribed intraLATA toll carrier by dialing an access code. This is known in the industry as casual calling. The customer must dial the carrier access code, NPA if necessary, and XXX-XXXX.

7. CARRIER SELECTION

7.1 New Customers

A new TDS TELECOM customer (including an existing customer who orders an additional line) will be permitted to make a free intraLATA PIC choice at the time of ordering service. If a customer cannot decide upon an intraLATA carrier at that time, the customer will have thirty days following completion of the service request to make an intraLATA PIC choice without charge. In the meantime, the customer will be assigned a “no-PIC” and will have to dial an access code to make intraLATA toll calls. Customer Sales and Service Representatives (CSSR) have a listing of available carriers at their disposal and can convey this information to customers in a competitively neutral manner should the need arise.

7.2 Existing Customers

TDS TELECOM recommends that existing TDS TELECOM customers not be charged for one PIC-change made during the first ninety days after presubscription is implemented. All other applicable PIC change charges will apply in the event the customer changes his or her interLATA carrier selection. Should a customer initiate a change to both the intraLATA and interLATA carrier selection, TDS TELECOM will assess a PIC Change charge separately for each jurisdiction consistent with its tariff. TDS TELECOM proposes that there be no balloting and allocation process. All current customers will remain presubscribed to BellSouth until they initiate a change in intraLATA toll provider.

8. NOTIFICATION

8.1 Customer Notification

In a competitive marketplace, each competitive carrier is responsible for marketing and selling its toll services. . TDS TELECOM may utilize any form of customer notice, thus, all customer education may be handled by the intraLATA toll providers through marketing efforts. TDS will notify its customers of the ILP process approximately 30 days prior to implementation.

8.2 Implementation Notification

An implementation schedule will be provided to all toll providers approximately sixty days prior to the implementation date. The following information will be contained on the schedule:

- End Office Name
- End Office Location Common Language Location Identification (CLLI)
- Equipment Type
- NPA/NXX(s)
- LATA
- Implementation Date

9. PIC SUBMISSION

IntraLATA toll carriers have the option of submitting business and residence PIC-change requests mechanically via the Equal Access Mechanized Interface (EAMI) or manually via the Equal Access Point of Contact. Orders must be submitted in the industry-approved Customer Account Record Exchange (CARE) format. Specific details on EAMI/CARE requirements are stated in Version 12 of the existing industry approved CARE and EAMI System Guidelines.

9.1 Exchange of Information

TDS TELECOM will use the industry-approved CARE process to exchange information with participating intraLATA toll providers. This will be the same information currently provided to interLATA carriers and will be available monthly. The Report will be expanded from its current form to include intraLATA PIC related information. The data includes a list of all customers who signed up with or disconnected from the carrier. The exchange is available on paper or tape, or by electronic transmission. TDS TELECOM will provide other intraLATA toll providers the same information in the same time frame it provides that information to its own marketing and sales representatives.

10. ANTI-SLAMMING AND LETTER OF AUTHORIZATION REQUIREMENTS

10.1 General

TDS TELECOM will adhere to the rules adopted by the TRA to resolve customer complaints of intraLATA toll slamming.

10.2 Don't Touch (DT)

The PIC “freeze” or “Don't Touch” option, which requires prior approval from a customer before that customer's PIC is changed, is currently available in the interLATA arena as a means of customer protection in response to the problem of slamming. TDS TELECOM will provide a “Don't Touch” option to customers for their intraLATA toll service, but will not automatically extend a “Don't Touch” on an interLATA account to an intraLATA account. TDS TELECOM will not market or actively offer such an intraLATA PIC freeze for a period of 90 days following equal access conversion.

10.3 TDS TELECOM Neutrality

TDS TELECOM will handle customer/carrier PIC assignment disputes in a neutral manner, to ensure that the customer is provided with the carrier requested.

11. PROCESSING ORDERS

TDS TELECOM will begin processing orders for intraLATA presubscription at 12:01 A.M. on the implementation date. Every effort will be made to process this initial group of orders in a timely manner. However, due to the volume expected immediately following implementation, an order-processing interval has been established. The processing interval will be five business days from the receipt of the order/file during the first four weeks following implementation. After the initial implementation period, orders will be processed following normal date due intervals.

During the period prior to implementation of presubscription, a customer may change his PIC several times. The Ordering and Billing Forum has reached "final closure" on using the date field on the mechanized record used to transmit PIC-change information as the "PIC authorization date." TDS TELECOM will use this date field to implement a customer's last selection. This is known as "Last PIC Sticks." TDS TELECOM will be reliant on carriers to use the date field correctly.

12. BUSINESS OFFICE PRACTICES

TDS TELECOM will implement reasonable and necessary training measures to assure that TDS TELECOM employees who interact with customers do so in a fair and impartial manner when such customers contact TDS TELECOM to presubscribe to the customer's intraLATA toll carrier of choice.

13. COST RECOVERY

- A. As stated in section 51.215 of the FCC Order 96-333, CC Docket No. 96-98, “a LEC may recover the incremental costs necessary for the implementation of toll dialing parity. The LEC must recover such costs from all providers of telephone exchange service and telephone toll service in the area served by the LEC, including that LEC.”

The incremental costs associated with implementing toll dialing parity by TDS TELECOM include costs related to:

1. Network hardware upgrades to provide the full 2-PIC methodology;
2. Central office software upgrades;
3. Software translations;
4. System programming/testing;
5. Training for Business Office, Marketing, Carrier, Customer Services and Service Center personnel;
6. Customer notification;
7. Implementation activity;
8. Foregone PIC change waiver

TDS TELECOM proposes to recover the incremental cost of implementing IntraLATA toll dialing parity over a one (1) year period as a surcharge applied to originating Intrastate minutes of all carriers. Exhibit 1, attached hereto, shows the estimated costs and calculation of rates by individual company.

- B. TDS TELECOM also proposes to recover those lost revenues associated with the conversion to intraLATA toll dialing parity. The primary lost revenue for TDS TELECOM will be

billing and collection revenues. Currently, TDS TELECOM receives Billing and Collection under contract from BellSouth for all originating IntraLATA 1+ calls, terminating IntraLATA 800 calls, and originating 0+ calls. As customers change to other carriers for IntraLATA equal access, this traffic will no longer be carried by BellSouth nor billed by TDS TELECOM. TDS TELECOM believes it is proper for it to recover these lost revenues so as to not harm current TDS TELECOM local subscribers.

It is difficult to estimate these costs and TDS TELECOM proposes to calculate and bill for these costs as follows:

1. As of 90 days after the implementation date for IntraLATA dialing parity, TDS TELECOM would quantify the amount of monthly minutes and messages that are no longer being billed through the BellSouth contractual arrangement.
2. The amount of lost billing and collection revenues associated with the minutes and messages no longer billed by TDS TELECOM would be quantified.
3. The annual lost revenues would be calculated by annualizing the loss for the third month after implementation.
4. An access charge rate would be developed using the ratio of lost billing and collection revenues divided by total intrastate toll access minutes.
5. This access charge rate would be filed as a permanent new access charge rate element and would remain in place permanently until the TRA examines access charge reform.

TDS TELECOM seeks direction from the TRA on the proper forum and mechanism for filing and collecting this proposed new access charge rate.

14. RIGHTS UNDER §251(F)(2) OF THE TELECOMMUNICATIONS ACT OF 1996

The filing of this plan does not preclude TDS TELECOM from exercising any of its rights to Suspension or Modification under §251(f)(2) of The Telecommunications Act of 1996.

Exhibit 1 – Cost Recovery Elements

Concord Telephone Exchange, Inc

Switching Costs & Translation (est.)		
IntraLATA Equal Access Software	\$	20,250
Switch Programming Costs	\$	720
Switch Translation Costs	\$	200
Customer Service Training/Notifications/System Changes (est.)	\$	28,565
Foregone PIC Change Revenue	\$	19,770
Total IntraLATA Presubscription Implementation Costs	\$	69,505
1998 Intrastate FG-D Access Minutes (Originating)		17,071,673
IntraLATA Presubscription Implementation Charge	\$	0.004071

Exhibit 1 – Cost Recovery Elements (Cont'd)

Humphreys County Telephone, Inc.

Switching Costs & Translation (est.):		
IntraLATA Equal Access Software	\$	-
Switch Programming Costs	\$	-
Switch Translation Costs	\$	-
Customer Service Training/Notifications/System Changes (est.)	\$	2,734
Foregone PIC Change Revenue	\$	1,575
Total IntraLATA Presubscription Implementation Costs	\$	4,309
1998 Intrastate FG-D Access Minutes (Originating)		2,853,082
IntraLATA Presubscription Implementation Charge	\$	0.001510

Exhibit 1 – Cost Recovery Elements (Cont'd)

Tellico Telephone Company, Inc.

Switching Costs & Translation (est.):		
IntraLATA Equal Access Software	\$	12,135
Switch Programming Costs	\$	720
Switch Translation Costs	\$	200
Customer Service Training/Notifications/System Changes (est.)	\$	14,125
Foregone PIC Change Revenue	\$	7,485
Total IntraLATA Presubscription Implementation Costs	\$	34,665
1998 Intrastate FG-D Access Minutes (Originating)		9,571,911
IntraLATA Presubscription Implementation Charge	\$	0.003622

Exhibit 1 – Cost Recovery Elements (Cont'd)

Tennessee Telephone Company, Inc.

Switching Costs & Translation (est.):		
IntraLATA Equal Access Software	\$	71,327
Switch Programming Costs	\$	3,600
Switch Translation Costs	\$	1,000
Customer Service Training/Notifications/System Changes (est.)	\$	84,973
Foregone PIC Change Revenue	\$	54,570
Total IntraLATA Presubscription Implementation Costs	\$	215,470
1998 Intrastate FG-D Access Minutes (Originating)		49,803,655
IntraLATA Presubscription Implementation Charge	\$	0.004326